

IC 77-2502

27 JUN 1977

MEMORANDUM FOR: Director of Central Intelligence

FROM: John N. McMahon  
Acting Deputy to the DCI for  
the Intelligence Community

SUBJECT: A Review of Nuclear Proliferation  
Intelligence Activities and  
Developments

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REFERENCE: Letter dated 18 January 1977 to DCI  
from James T. Lynn, Director, Office  
of Management and Budget (OMB); Subject:  
Budget Allowances and Significant Policy  
Determinations

25X1 1.  Action Requested: Sign the attached letter  
which forwards the subject review to the Director, OMB.

25X1 2.  Background: The review was accomplished at the  
request of the Director, OMB (Reference), in order to assist  
him in making budget decisions pertaining to nuclear prolif-  
eration intelligence (NPI). The review presents a thorough  
examination of where the Community was, is, and is going  
with respect to NPI, and contains a brief historical per-  
spective of Administration policies and intelligence  
priorities extending from the end of World War II to date.

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each identified the need for: a more prominent focal point  
within the Community for proliferation matters; more and

DOE review  
completed.

NSC review(s)  
completed.

OSD Review Completed

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better user/Community interchange; and an expanded and more accessible data base that reflects the multidisciplinary character of the nuclear proliferation problem. During this same period of time, the Intelligence Community Staff (ICS) took initiatives toward resolving some of the problems by convening user and user/producer conferences on NPI and proposing the appointment of a National Intelligence Officer for Nuclear Proliferation (NIO/NP) and the establishment of a working group to support him. The DCI approved the proposal on 20 January 1977, thereby providing a Community focal point for nuclear proliferation intelligence.

25X1 [ ] Current Community activities and plans are described in enough detail so that "who's doing what and where" is readily visible. Users of NPI are identified in terms of their requirements and Community elements in terms of their respective roles in collection, analysis, and/or production activities.

25X1 [ ] The report contains a section dealing with Community resources devoted to NPI. Past trends are identified and FY 1977 resources are depicted in a manner that reveals the Community "division of labor," i.e., the allocation of Community resources and related outside contracts devoted directly to NPI.

25X1 [ ] The report refrains from making judgments on the effectiveness of the new organizational improvements but indicates only that their future effectiveness will require aggressive implementation of the DCI's charter. At the end of CY 1977 the Deputy to the DCI for National Intelligence and the ICS, in accordance with the DCI's implementing directive, are to evaluate for the NFIB the effectiveness of the new mechanisms. Regarding division of labor, the review found little, if any, unnecessary duplication in the Community efforts.

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25X1 [ ] and the NIO/NP, supported by an interagency working group, acting as the central coordinating element and clearing house for NPI.

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☐ Finally, both users and producers evinced interest in an expanded nuclear proliferation intelligence data base and an improvement in its accessibility. A Data Base Working Group for Nuclear Proliferation was recently assembled by the ICS and the NIO/NP. The preference of the working group, as manifest at its first meeting, is to maintain the existing system of decentralized data within the Community and to move toward a more coordinated systematic expansion of and improved access to the data.

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3. ☐ Staff Position: The review has been coordinated

and the Office of Policy and Planning of the ICS. It has been reviewed and concurred in by the NFIB.

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4. ☐ Recommendation: Recommend you sign the attached letter to the Director, OMB.

**SIGNED**

John N. McMahon

Attachment:

Proposed letter for DCI signature

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DCI/IC/OPEI/PAID/[ ] (20 Jun 77)

Approved For Release 2007/12/18 : CIA-RDP83M00171R000500150006-1  
The Director of Central Intelligence  
Washington, D C 20505

5 JUL 1977

The Honorable Thomas B. Lance  
Director, Office of Management and Budget  
Washington, D.C. 20503

Dear Bert:

25X1 [ ] The attached "Review of Nuclear Proliferation Intelligence Activities and Developments" was generated by a request from the former Director of OMB. It assesses the soundness of Community activities on nuclear proliferation and addresses management and resources issues. The National Foreign Intelligence Board (NFIB) concurs in the review, which was prepared by the Intelligence Community Staff (ICS) in collaboration with the Acting National Intelligence Officer for Nuclear Proliferation.

25X1 [ ] The study is a comprehensive account which describes the past and current status of nuclear proliferation intelligence and provides the Community and OMB with a foundation upon which to base future activities and plans. "Who's doing what and where" in the Community is clearly visible. Division of labor is examined for unnecessary duplication and conformity with the principle of placing primary responsibility for various areas of proliferation intelligence with the organizations having the greatest expertise in those areas. An organizational structure is projected to accommodate this principle. Also, problems associated with data base development are identified and probable solutions are indicated.

25X1 [ ] The key findings and suggested future actions are contained in the two summary pages of the review. I believe that you will find this report illuminating and useful.

Yours sincerely,

SIGNED

STANSFIELD TURNER

Enclosure:

DCI/IC 77-2500

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A REVIEW OF  
NUCLEAR PROLIFERATION INTELLIGENCE  
ACTIVITIES AND DEVELOPMENTS

APRIL 1977

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DCI/IC 77-2500

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TABLE OF CONTENTS

	<u>PAGE</u>
I. SUMMARY . . . . .	1
II. ADMINISTRATION POLICIES AND INTELLIGENCE PRIORITIES FOR NUCLEAR PROLIFERATION . . .	3
A. Policies of Earlier Administrations . . . .	3
B. Carter Administration Policies . . . . .	5
III. RECENT COMMUNITY ACTIVITIES . . . . .	7
B. Events Subsequent to Mid-1976 . . . . .	8
1. Three Independent Studies . . . . .	8
-- NSC Semiannual Intelligence Review . . . . .	9
2. IC Staff Initiatives . . . . .	10
a. NIO and IC Staff Meetings With Community and Users . . . . .	10
b. Establishment of NIO/NP and Working Group . . . . .	11
3. Community Priorities for Nuclear Proliferation . . . . .	12
IV. CURRENT COMMUNITY ACTIVITIES AND PLANS . . . . .	14
A. Users and Producers of Proliferation Intelligence . . . . .	14
1. Users of Nuclear Proliferation Intelligence . . . . .	14
2. Producers of Nuclear Proliferation Intelligence . . . . .	16
B. NIO/NP and IIWG/NP Activities . . . . .	18

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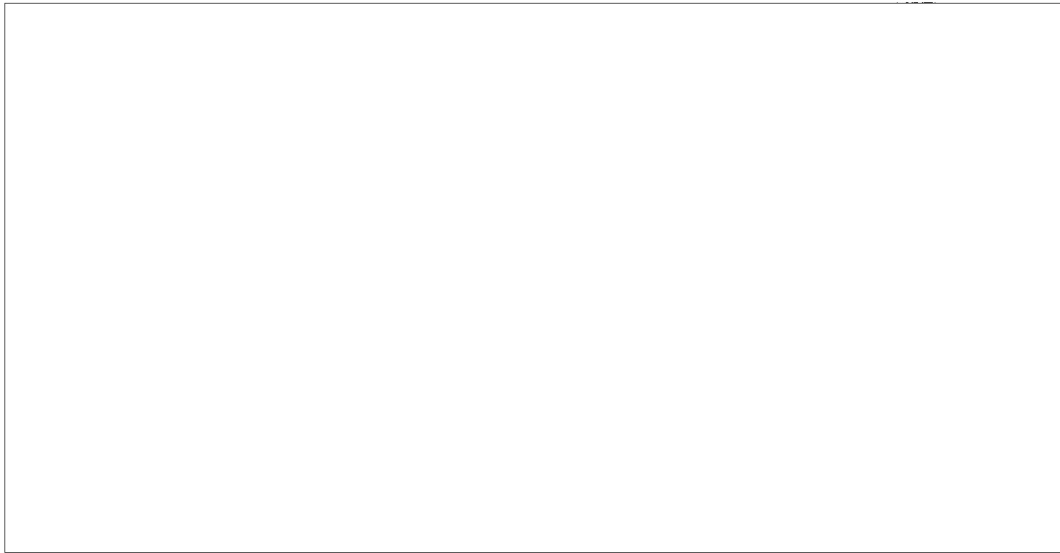



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TABLE OF CONTENTS (con't)

	PAGE
	
-- IC Staff . . . . .	27
V. COMMUNITY RESOURCES DEVOTED TO NUCLEAR PROLIFERATION . . . . .	28
A. Past Trends . . . . .	28
	
	
	
VI. ASSESSMENT . . . . .	34
A. Adequacy of Community Coordination Mechanisms . . . . .	34
1. National Intelligence Officer for Nuclear Proliferation . . . . .	34
2. Ad Hoc Interagency Intelligence Working Group on Nuclear Proliferation . . . . .	35

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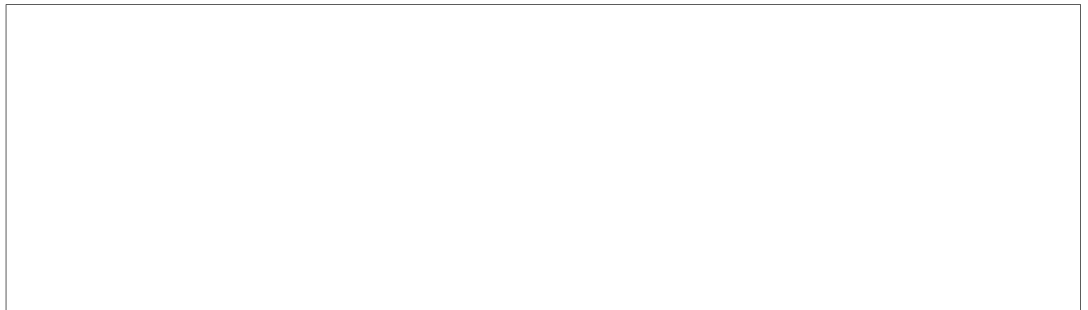






TABLE OF CONTENTS (con't)

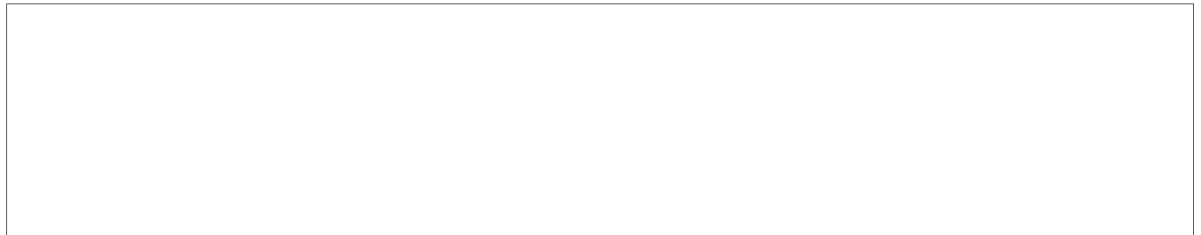
	<u>PAGE</u>	
B. Division of Labor Within the Community . . . . .	36	25X1



3. Responsibilities for Multidisciplinary Analysis . . . . .	39	25X1
---	----	------



5. The Roles of JAEIC and the Ad Hoc Working Group . . . . .	40	
6. Overall Assessment of Community Division of Labor . . . . .	40	25X1



TABLES



25X1

Table 2 - Users and Producers of Nuclear Proliferation . . . . .	14
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25X1

25X1

# I. SUMMARY

This review traces the steps taken by the Intelligence Community (IC) to improve its performance in the area of nuclear proliferation. It emphasizes activities and developments within the past eight months, assesses where the IC is now, and suggests future actions. Division of effort within the IC is a central theme. The development of adequate Community-level collection and production mechanisms and nuclear proliferation data base are topics of this review.

The key findings of the review are:

- Among the four major agencies involved, there is no significant duplication in collection, analysis, and production efforts;

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- In recognition of the need to enhance communication and coordination among Community agencies and between the users and producers, and to ensure no duplication of effort in the future, new Community mechanisms have been established:
  - A National Intelligence Officer for Nuclear Proliferation (NIO/NP), established in January 1977, acts as the focal point within the Community and as a coordinator for user/Community interaction.
  - The NIO/NP is assisted by the Interagency Intelligence Working Group for Nuclear Proliferation (IIWG/NP), also established in January 1977. The Working Group is a forum for coordinating overall Community planning and activity concerning collection and production.
  - There is little duplication between the Joint Atomic Energy Intelligence Committee (JAEIC) and the IIWG/NP. The latter, among others, looks to

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the JAEIC for coordinating Community production concerning the technical aspects of nuclear proliferation.

-- Although experience so far has been brief, and although a permanent NIO/NP has not yet been designated, performance of the coordinating mechanisms is assessed as satisfactory.

- Responsibilities for multidisciplinary analysis and early warning of foreign nuclear developments:

-- The NIO/NP should lead the interagency effort

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- Future actions needed are:

-- Continued efforts to enhance the development of a nuclear proliferation data base:

- To date, the assessment is that a single centralized data base is not needed; rather, improvements in access and systematic expansion are sought.
- The expediting of the work of the Data Base Working Group for Nuclear Proliferation (DBWG/NP), which was formed in March 1977.

-- Resolution of potential redundancy in production of technical nuclear proliferation intelligence

[REDACTED]

- [REDACTED] must maintain technical production capabilities to meet respective nuclear proliferation organizational and departmental needs.

- [REDACTED] must maintain a technical intelligence capability to satisfy "non-departmental" national intelligence requirements.

-- Review of the roles of the NIO/NP and the IIWG/NP with a view toward developing recommendations concerning their continued operations beyond December 1977.

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II. ADMINISTRATION POLICIES AND INTELLIGENCE PRIORITIES FOR NUCLEAR PROLIFERATION

The acquisition of a nuclear explosive device by a country anywhere in the world has obvious and very serious regional and global ramifications. The enormity of the nuclear proliferation problem is forcefully depicted in Table 1. Policymakers in every Administration since 1945, with the first use of the atom in World War II, have contended with the dilemma of the peaceful potential of the atom versus the prospect of employment of its enormous destructive power.

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A. Policies of Earlier Administrations

Since President Eisenhower's Atoms for Peace proposal in 1953, the U.S. has sought to share with other nations the peaceful benefits of nuclear energy while at the same time attempting to erect an effective system of international controls to minimize the risks of proliferation. Thus, the U.S. has required recipients of U.S. nuclear materials, equipment and technology to accept international safeguards and to agree not to use these exports for military purposes. This policy also aided in the establishment within the United Nations, the International Atomic Energy Agency and its system of international safeguards and to the creation of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).

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In October 1976, President Ford announced additional steps to curb the spread of nuclear weapons and weapons development capability. These steps included: a deferral of U.S. commercial reprocessing of spent fuel until the

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proliferation risks could be fully ascertained; a call for all nations to exercise restraint in the transfer of sensitive technology, a program to evaluate reprocessing and its alternatives; a commitment to provide fuel assurances to nations accepting responsible non-proliferation restraints; a strengthening of U.S. nuclear export and sanctions policies; and a commitment to encourage the United Nations to upgrade IAEA safeguards.

B. Carter Administration Policies

Since taking office, President Carter has made non-proliferation a high priority on the Administration's agenda. Vice President Mondale, during his post-inaugural visit to the capitals of major allies, repeatedly enunciated a strong position against proliferation of both nuclear weapons and the energy products which yield weapons-grade material.

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Specifically, the U.S. will seek a pause in sensitive nuclear developments among all nations in order to initiate, and actively participate in, an intensive International Nuclear Fuel Cycle Evaluation Program (IFCEP) whose technical aspects shall concern the development and promotion of alternative, non-sensitive, nuclear fuel cycles.

The U.S. will also indefinitely defer the commercial reprocessing and recycle of plutonium in the U.S.; restructure the U.S. breeder reactor program so as to emphasize alternative designs to the plutonium breeder, and to meet an unspecified later date for possible commercialization; redirect the funding of U.S. nuclear research and development programs so as to

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concentrate on the development of alternative nuclear fuel cycles which do not involve access to weapons usable materials; provide incentives in the area of nuclear fuel assurances and spent fuel storage to encourage the participation of other nations in the International Fuel Cycle Evaluation Program; initiate a program of assistance to other nations in the development of non-nuclear means of meeting energy needs, and increase production capacity for nuclear fuels.

The U.S. will also strengthen the existing non-proliferation regime: by encouraging the widest possible adherence to the Non-Proliferation Treaty, and to comprehensive international safeguards; by strengthening and improving the IAEA; and by providing stronger sanctions against the violation of nuclear agreements. Therefore, the U.S. will announce its intention to terminate nuclear cooperation with any non-nuclear weapons state that hereafter:

- detonates or demonstrably acquires a nuclear explosive device; or
- terminates or materially violates international safeguards or any guarantees it has given to the U.S.

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-- NSC Semiannual Intelligence Review (December 1976). In July 1976, the Intelligence Community Staff (IC Staff), responding to Executive Order 11905 requirements, began preparation of the first NSC Semiannual Intelligence Review assessing the needs of users and the timeliness and quality of intelligence products. The report concentrated on the needs of "national level" users, that is, support to policymakers on issues that confront the NSC, its members and their senior staffs. Among the topics discussed in the Review was the proliferation of nuclear weapons and technology. Published in December 1976, the survey amplified on and sustained many of the findings and recommendations contained in the [ ] report. The Community's performance was judged to be mixed or of uneven responsiveness. Ad Hoc Community nuclear proliferation intelligence support, particularly technical aspects, was labeled satisfactory. Longer term, in-depth analysis, however, was considered inadequate, and there was a call for greater political, economic, and military integration with the technical aspects. The IC Staff's Review identified the need:

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- to establish a clearer Community focal point for nuclear proliferation intelligence;

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- for better user articulation of proliferation intelligence priorities;
- for more and better user/Community interchange;
- to explore requirements for data bases including information such as special nuclear materials (SNM) stockpiles, trained personnel in nuclear technology, IAEA information, etc.

2. IC Staff Initiatives. Responding to the increased interest and concern at all levels of government generated by these three reports, the IC Staff took the initiative to help correct the problems identified. Meetings were held within the Community and between users and producers of nuclear proliferation intelligence. Implementation designs were developed to accommodate recommendations.

a. NIO and IC Staff Meetings with Community and Users. Community and user/Community conferences, sponsored by the IC Staff and the NIO for Strategic Programs (NIO/SP) were convened in November 1976 and January 1977 respectively.

-- The meeting of the Community representatives took note of the importance accorded to nuclear proliferation in the election campaign and believed such emphasis presaged an increased demand for high-quality nuclear proliferation intelligence products. More "issue-driven" user demand was anticipated. Several specific needs or improved nuclear proliferation intelligence within the Community were identified: a coordinating mechanism to serve the various and diverse user requirements; prompt identification of a focal point for nuclear proliferation intelligence within the Community; increased, more organized interchange between users and producers; multidisciplinary proliferation intelligence studies; development of a new national intelligence estimate on nuclear proliferation; and an examination of costs and trade-offs on nuclear proliferation intelligence vis-a-vis other production.

-- The discussion between users and Community representatives ranged across a wide band of issues, problems, and questions. There was agreement on the

current need for a comprehensive data base, though the precise context of a feasible and useful data base was not defined. There was a perceived need for speeding up the process of supplementing and updating existing data. There was consensus on the need for a set of country studies which consider together the political, military, economic, and scientific and technical factors to be updated frequently. Conferees stressed the need for a system of user/producer interchange in which consumer priorities could be clearly established and where accuracy or completeness of information could be challenged. All expressed a desire for periodic user/producer conferences.

b. Establishment of NIO/NP and Working Group.

These conferences served to buttress Community reorganization proposals set before the NFIB by the ERDA representative in early December 1976. The NFIB, in response to the ERDA initiative, called for the IC Staff, in coordination with the D/DCI/NI and other appropriate elements in the government, to prepare a proposed organizational structure and a collection strategy on nuclear proliferation intelligence. There were two recommendations: one, the appointment of an NIO for Nuclear Proliferation (NIO/NP), initially for a period of one year and, two, the establishment of an Ad Hoc Interagency Intelligence Working Group on Nuclear Proliferation (IIWG/NP) to assist the NIO/NP. Recommendations were officially approved on 20 January 1977, by the DCI, who, in turn, notified the NFIB of the decisions.

Therefore, nuclear proliferation was one among the many responsibilities of the NIO for Strategic Programs. As the problem grew in importance and emphasis and priority expanded, the NIO/SP made it clear he could not give the topic the attention it required. The new NIO/NP is intended to provide strong and concentrated leadership to the Community for improving proliferation intelligence during a period in which nuclear proliferation and related issues are receiving increased priority by the new Administration. At the end of one year, the NIO/NP, in coordination with the IC Staff and appropriate elements of the Community, will make further recommendations to the NFIB concerning organizational structure (roles, division of labor, etc.). The IIWG/NP is intended to provide a ready mechanism to the NIO/NP in coordinating Community efforts. Members address management and

resource issues from the perspective of their organizations as well as matters of substantive intelligence. The working group includes representation from CIA, State/INR, DIA, ERDA, and the intelligence organizations of the military services with ACDA and Treasury participating in an observer status. The NIO/NP as the formal "focal point" for nuclear proliferation intelligence, in coordination with the IC Staff and other elements of the Community, and in light of user needs, will:

- develop strategies for collection, processing, production, and data base development;
- ensure maintenance of a nuclear proliferation "watch" on potential proliferating countries;
- work to revise or establish priorities;
- make further recommendations to NFIB concerning changes in the Community organization for nuclear proliferation intelligence;
- produce national intelligence on nuclear proliferation, including assessments of implications of nuclear proliferation-related activities for national security; and
- ensure regular communication and exchange between the consumers and the producers of nuclear proliferation intelligence.

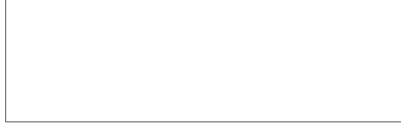
3. Community Priorities for Nuclear Proliferation

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\* U.S. foreign intelligence requirements categories and priorities for operations are established in the Director of Central Intelligence Directive 1/2 (DCID 1/2). This Directive sets forth comprehensive requirements categories and priorities to serve as basic guidance for the operation of the overall U.S. foreign intelligence effort.

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 The reduction in the number of topics was aimed at attaining as much mutual exclusivity in topic definition as possible. Although "Nuclear Proliferation" was not included in early drafts of the document as the subject was thought to be adequately covered in other topics, a discrete topic on this subject was added at the request of the NIO for Nuclear Proliferation. This action was agreed upon by Community participants due to the increased national attention being given to this subject and to increase the visibility of the priorities assigned to the countries involved.

The NIO/NP proposed and the majority of the participants in the Ad Hoc Interagency Intelligence Working Group on Nuclear Proliferation that support him agreed in a recent meeting the proliferation entry should be reinserted in the list of topics so that the overall Community priority for that topic would be more visible and readily identifiable. It is likely that the DCID 1/2 Ad Hoc Group, which is currently reviewing the priorities, will concur.



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#### IV. CURRENT COMMUNITY ACTIVITIES AND PLANS

##### A. Users and Producers\* of Proliferation Intelligence

Production and coordination of nuclear proliferation intelligence involves virtually all component organizations of the Intelligence Community. The "user community" is diverse and demanding. The following table illustrates the extent of national organization involvement in the proliferation problem.

Table 2

#### USERS AND PRODUCERS OF NUCLEAR PROLIFERATION INTELLIGENCE

##### USERS

NSC  
State  
ACDA  
NRC  
ERDA  
DOD  
Commerce  
Treasury  
Congress

##### PRODUCERS

NIOS  
IC Staff  
JAEIC  
CIA  
DCI Collec-  
tion Committees  
ERDA  
State/INR  
DIA  
NSA  
[ ]  
NPIC

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The needs of the users and roles of the Community players are shown in general terms below:

##### 1. Users of Nuclear Proliferation Intelligence

NSC (National Security Council). The NSC's need for nuclear proliferation intelligence is centered on the development of U.S. Government-wide non-proliferation policy in connection with its fundamental responsibility for integration of domestic, foreign, and military policies relating to the national security.

State. The State Department is the designated focal point for development and implementation of U.S. non-proliferation policy. It is the lead agency for negotiations with nuclear supplier and recipient countries in furthering U.S. non-proliferation objectives.

\*This term is used to encompass all Community functions pertaining to nuclear proliferation--requirements, collection, processing, analysis and production, dissemination, and evaluation and feedback.

ACDA (Arms Control and Disarmament Agency). In keeping with its responsibility to provide the President and the Secretary of State with recommendations concerning U.S. arms control policies, ACDA has been and is involved across the full range of nuclear proliferation matters. These include the verification of treaties limiting strategic arms and nuclear explosions. Additionally, ACDA reports its activities to the Congress on an annual basis.

NRC (Nuclear Regulatory Commission). NRC needs nuclear proliferation intelligence to assure that nuclear exports and imports licensed by the Commission will not be inimical to U.S. defense and security and to be able to assess properly various non-proliferation policy matters such as international safeguards and physical security procedures for nuclear materials and facilities.

ERDA (Energy Research and Development Administration). In support of its responsibilities for the formulation, evaluation, and implementation of nuclear policies, ERDA requires intelligence information and assessments on the political, economic, technical, and national security implications of international nuclear commerce, cooperation in the peaceful uses of nuclear energy, nuclear material accountancy, safeguards and physical security, and foreign nuclear policies and programs.

DOD (Department of Defense). The impact on U.S. security depends on where, when, and how nuclear proliferation occurs. Providing deterrence against an increased number of nuclear-equipped adversaries is a continuing concern of the DOD. A major role for DOD is assisting non-proliferation by influencing security perceptions of nonnuclear friends and allies.

-- DSB/NPTF (Defense Science Board Nuclear Proliferation Task Force). Defense recently established this panel to study the proliferation problem with respect to the interests of the DOD. The work probably will include assessments of intelligence support provided for this purpose.

Commerce. Commerce needs nuclear proliferation intelligence to ensure its administration of U.S. export control policies with respect to nuclear-related commodities is consistent with national security interests.

Treasury.\* Nuclear energy is a significant consideration in the conduct of financial diplomacy with industrial and, particularly, developing nations and regions. Treasury uses nuclear proliferation intelligence in its formulation and execution of U.S. international financial, economic, and monetary policies and programs.

Congress. Congress requires timely and accurate nuclear proliferation intelligence upon which to base judgments concerning legislative initiatives and Executive proposals relating to nuclear policy.

## 2. Producers of Nuclear Proliferation Intelligence

NIOS (National Intelligence Officers). Regional National Intelligence Officers are responsible for the preparation and issuance of national intelligence on proliferation as it pertains to their functional and regional areas of interest. The NIO for Nuclear Proliferation (NIO/NP) has the overall global responsibility for the subject within the Community.

IC Staff (Intelligence Community Staff). The IC Staff assesses the timeliness, quality and relevancy of the Community's nuclear proliferation intelligence collection, production, and analytical efforts and makes program recommendations for resource allocation. The organizational structure within the Community to accommodate user requirements for proliferation intelligence is a special Staff concern. So too is the development of specifications for a data base quickly accessible to intelligence analysts and users. The IC Staff collaborates closely with the NIO for Nuclear Proliferation.

JAEIC (Joint Atomic Energy Intelligence Committee). JAEIC is the central interagency organization for the scientific and technical aspects of nuclear proliferation intelligence.

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B. NIO/NP and IIWG/NP Activities

The promise and benefits of close Community coordination are already apparent in the early, current and planned activities of this new organizational structure for nuclear proliferation intelligence. Recent activities included monitoring intelligence support for PRM-15 (Nuclear Proliferation) and developing a Community strategy

Current and planned activities are:

-- NIE 5-1-77: Prospects for Further Nuclear Proliferation. This estimate is scheduled to be issued in June/July and will cover, inter alia, the incentives and disincentives of various countries to "go nuclear" as well as matters pertaining to their technical wherewithal. The generation of this estimate will have the benefit of the expressed concerns and needs of decisionmakers as discerned by intelligence in the course of the PRM-15 exercise.

-- A comprehensive review of Community collection activities against the nuclear proliferation "target." The DCI's Critical Collection Problems Committee has made an informal proposal that it conduct this review. Decision to move forward or not on this will be made by the NIO/NP and IIWG/NP soon.

-- Multidisciplinary analysis within the CIA and other Community agencies needs greater support and upgrading. There is close collaboration with the DDI's Center for Policy Support on this matter.

[REDACTED]

-- A review of priorities and requirements has been conducted and proposed changes have been given to the Ad Hoc Group charged with revising and reshaping the DCID 1/2 system for promulgation of national intelligence priorities.

-- The resources of the National Photographic Interpretation center (NPIC) and other Community photo exploitation components need improved tasking by user organizations. Such improvement is intended to be brought about by expanding user knowledge of capabilities and limitations of resources. Nuclear proliferation requirements categories need to be more soundly developed.

-- The first steps for the development of an all-source data base for nuclear proliferation intelligence have been taken in the formation of a Data Base Working Group for Nuclear Proliferation (DBWG/NP). The working group is sponsored jointly by the NIO/NP and the IC Staff.

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C. [REDACTED]

The Deputy to the DCI for National Intelligence (D/DCI/NI) after collaboration and coordination within the Intelligence Community, each year develops a list of Key Intelligence Questions (KIQs). The KIQs provide the Community with a highly selective list of current, critically important questions which require a period of special attention.

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IC Staff. The IC Staff, in collaboration with the NIO/NP, established an Ad Hoc Data Base Working Group on Nuclear Proliferation (DBWG/NP) on 2 March 1977. It is comprised of representatives from CIA, DIA, ERDA, State/INR and JAEIC. The first meeting was held on 7 March to develop specifications for an all-source data-base improvement in general. Among the working group's purposes are: defining the data base issues; developing a coordinated Community plan for resolving these issues; and insuring that there is no unnecessary duplications or gaps among Community elements in data base activities.

V. COMMUNITY RESOURCES DEVOTED TO NUCLEAR PROLIFERATION

A. Past Trends

The Intelligence Community began addressing the nuclear proliferation problem even before the first U.S. nuclear test in 1945. The question of whether the Germans and/or the Soviets were having any success in the development of a nuclear capability was an important intelligence question during World War II. Since that time, emphasis has grown in direct proportion to the perception of the threat posed by proliferation. In the 1970s, uncertainties attending possibilities of nuclear theft and terrorism tended to increase apprehension.

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## VI. ASSESSMENT

### A. Adequacy of Community Coordination Mechanisms

The Intelligence Community is working to achieve goals in three basic categories in the area of nuclear proliferation:

-- Early Warning. To provide early warning of foreign developments which could lead to proliferation of nuclear weapons so that U.S. officials can take appropriate counteractions.

-- Production. To produce a series of multidisciplinary country studies, containing political, economic, military and technical information relevant to each country's capabilities and intentions to acquire nuclear weapons. These country studies should support both policymaking and specific licensing decisions.

-- Data Base. To improve the nuclear proliferation intelligence data base for support of early warning and production of country studies and other analyses.

How well are the recently established Community mechanisms--the NIO/NP, the Ad Hoc Working Group and the --functioning in support of these goals? These mechanisms have the potential for improving the relevancy of nuclear proliferation intelligence to users' problems and for achieving better coordination of Community efforts; their actual effectiveness will depend upon aggressive implementation by the individuals involved.

At the end of CY 1977, the Deputy to the DCI for National Intelligence and the IC Staff are to evaluate for NFIB the effectiveness of the new mechanisms. This evaluation should focus, inter alia, on the following points.

1. National Intelligence Officer for Nuclear Proliferation. The NIO/NP is the Community focal point for user-Community interaction. By close and frequent communication with users in the NRC, ACDA, State, ERDA, DOD and the NSC Staff he should ensure that the Community's collection and production efforts are efficiently focused on the problems of



greatest priority, from the user's perspectives. Equally important, he should exercise leadership within the Community in the early alerting of national decisionmakers to foreign actions or trends which are contrary to U.S. non-proliferation interests.

2. Ad Hoc Interagency Intelligence Working Group on Nuclear Proliferation. The Ad Hoc Working Group provides the NIO/NP and the Community with a structured means for coordinating nuclear proliferation intelligence efforts. By close monitoring of collection and production efforts, this group should identify gaps in Community efforts and the means of filling these gaps. It should also surface redundant efforts and come to agreement on adjustments where the redundancy is deemed to be without value. The Ad Hoc Working Group does not have authority to direct its component agencies to alter programmed efforts or to reallocate funds and manpower, but it is a forum in which coordinated Community planning can be carried out, under the leadership of the NIO/NP. Disagreement or resource shortfalls can be brought to the attention of appropriate bodies, such as the National Intelligence Steering Group\*, NFIB or the Policy Review Committee (Intelligence).

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\* The National Intelligence Steering Group is responsible for monitoring resource allocation to national intelligence (other than current intelligence) that is produced by more than one agency of the U.S. Government. It is chaired by the D/DCI/NI and includes representatives from State/INR, DIA and CIA.

B. Division of Labor within the Community

How should nuclear proliferation collection and production efforts be divided among Community organizations for efficient satisfaction of users' needs? A number of criteria should be kept in mind when considering this question:

-- Specific collection and production tasks should be assigned to organizations with the greatest capabilities for those tasks, as measured in terms of technical systems, data bases and experienced manpower,

-- Some organizations must support the special needs of their departments for nuclear proliferation intelligence.

-- National needs for nuclear proliferation intelligence can vary from individual Department requirements. To the extent that this is so, there must be a capability to respond directly to those needs.

-- The actual Community division of effort has evolved over time, under various user stimuli and resource constraints. If Community efforts are working effectively, they should not be changed merely for the sake of organizational neatness.

With these criteria in mind, a reasonable scheme for allocating nuclear proliferation tasks within the Community follows:

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##### 5. The Roles of JAEIC and the IIWG/NP

While not organizationally neat, there is in fact little duplication of effort between the JAEIC Nuclear Proliferation Working Group and the IIWG/NP because the working group relies upon the JAEIC working group to coordinate technical production. Eliminating the JAEIC Nuclear Proliferation Working Group, therefore, would not save manpower billets.

The IIWG/NP was established for only one year, with more permanent nuclear proliferation organizational arrangements to be considered by the D/DCI/NI and the IC Staff at the end of CY 1977. The need for the JAEIC Nuclear Proliferation Working Group will be reviewed as well at that time.

##### 6. Overall Assessment of Community Division of Labor

In summary, there appears to be little unnecessary duplication in the Community's division of efforts in nuclear proliferation intelligence. During years of low priority for nuclear proliferation intelligence, the efforts of a relatively small number of individuals within the Community have been necessarily complementary, not duplicative. As the problem and priority increase and intelligence efforts expand, however, the Community must be careful to continue to apply resources in an efficient and coordinated way. All new efforts within the Community should conform to the guidelines developed above.

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